

## § 83.23

a single business or institution at one insurable premises as separate premises, or (b) by establishing separate businesses for different portions of business operations having a common majority ownership which are located at one insurable premises. Each \$1,000 of insurance or fraction thereof shall be charged the applicable rate for the full \$1,000 of insurance coverage. Insurable premises is defined as one premises or portion thereof utilized for the purpose of conducting the business of the insured. Two or more buildings which are adjoining and have a common connecting door or passageway are considered one building and should be included in one application. Multiple rooms or floors within one building are considered one premises and should be specifically enumerated on one application. Physically separate buildings or portions thereof must be covered on separate applications using the appropriate IRS number, with a different suffix on each application, in order to identify multiple premises of one business. The commercial policy form must be used by a business for residential properties owned or leased by said business, incorporated or otherwise and for model homes. Such risks must meet commercial protective device requirements. If an insured shares a premises with one or more other businesses but there is no physical barrier meeting protective device requirements to separate the business, the insured is entitled to coverage with limitations as described in §§82.5(i) and 83.22.

[47 FR 19350, May 5, 1982]

## § 83.23 Amount of commercial policy deductible.

(a) The Commercial Crime Insurance Policy for industrial and commercial risks shall be subject to a deductible in the following amounts for each loss occurrence or 5 percent of the gross amount of the loss, whichever is greater, in accordance with the following categories of annual gross receipts (or operating budget, if applicable):

Less than \$299,999 .....	\$250
\$300,000 to \$499,999 .....	350
\$500,000 and above .....	500

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(b) The Commercial Crime Insurance Policy for non-profit or public property risks shall be subject to a deductible in the amount of \$250 for each loss occurrence or 5 percent of the amount of loss, whichever is greater.

(c) Higher deductibles, percentage participation clauses and other underwriting devices may be employed by the insurer to meet special problems of insurability.

[47 FR 19351, May 5, 1982, as amended at 49 FR 43472, Oct. 29, 1984]

## § 83.24 Classification of commercial risks.

(a) The governing factor in determining the risk classification applicable to a particular premises is the kind of business conducted by the insured at that location. If there are several types of merchandise applicable to the risk, the highest classification of merchandise inventoried and held for sale governs. For example, a business with the following types of merchandise inventoried, 60% handbags and wigs, and 40% fine jewelry, shall be classified as Class 5 Fine Jewelry.

Any change in classification must be reported to the insurer through the servicing company.

(b) Individual concessionaires operating within a premises are classified according to the business or merchandise of the concessionaire.

(c) Warehouses and/or other storage areas shall take the classification of the merchandise or inventory comprising the majority value of the contents.

(d) Following are minimum alarm requirements for various classifications of businesses:

Code	Business description	Class		Alarm type
		Burglary	Robbery	
A1	NOC .....	3	4	D
02	Amusement enterprises.	2	3	D
B1	Antique stores .....	3	4	C
C1	Art galleries .....	3	4	D
33	Art supplies .....	5	5	C
D1	Auto parts—no service	2	2	C
03	Auto parts—sales/service.	2	2	D
47	Beach concessions .....	3	4	D
32	Beauty/barber shops ...	2	2	D
41	Beauty & health supplies.	3	4	C
C6	Beer/wine with food (retail).	5	5	C

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Code	Business description	Class		Alarm type	Code	Business description	Class		Alarm type
		Bur-glary	Rob-bery				Bur-glary	Rob-bery	
F1	Beer/wine (wholesale)	6	6	B	54	Medical supplies .....	2	2	D
04	Billiard/pool parlors .....	3	4	D	Q1	Motorbikes/bicycles .....	3	4	C
70	Boutiques .....	6	6	B	56	Music stores/instru-ments.	3	4	C
05	Bowling lanes/skating rinks.	2	3	E	35	Nursing/convalescent homes.	2	3	D
34	Building contractors/ materials.	2	3	D	C3	Office supplies/equip-ment.	2	3	D
06	Cameras/photo/film processing.	5	5	B	58	Parking/rental cars/car wash/taxi office.	2	2	D
43	Candy/nuts stores .....	3	4	C	23	Pawn brokers .....	4	2	B
G1	Check cashing/money exchange/collectors.	4	6	D	76	Pet stores/kennels .....	3	4	C
J1	Churches/charities/pub-lic properties.	1	1	E	R1	Photographers studios	2	3	D
36	Clothing childrens 12 & under.	5	2	B	S1	Precious metals/elec-troplating (storage).	6	6	C
11	Clothing mfg./tailoring	3	6	B	C8	Precious metals/elec-troplating (retail, wholesale, mfg.).	4	2	B
22	Clothing men's .....	6	5	B	74	Professional services ..	2	2	D
30	Clothing women's .....	6	6	B	24	Radio/TV/electronic equip.	6	5	B
07	Clubs (serving alcohol)	3	4	D	C4	Radio/TV/elec eq. (service only).	2	3	D
K1	Coin/stamp shop .....	3	4	D	62	Realty/insurance/travel/employment agency.	2	3	D
08	Discos/dance halls/pa-vilions.	2	3	D	T1	Record shop .....	5	4	B
50	Distributors—variety/ Nonalcoholic.	2	4	D	25	Restaurant/caterer .....	3	4	D
C5	Donut/pastry/coffee shop (seated).	3	4	D	26	Savings & loans/banks	4	3	B
09	Drug stores .....	5	4	B	66	Schools/day care .....	2	3	D
L1	Drugs (wholesale) .....	5	6	B	64	Security/locksmiths/alarms.	2	4	D
10	Dry cleaners .....	5	5	D	68	Shoe stores .....	6	5	B
38	Dry Goods—textile/ sewing.	3	4	C	H1	Specialized clothing-sportswear/lingerie.	4	2	D
11	Electrical appliances/ parts.	5	5	B	U1	Sports goods/general ..	5	2	C
E1	Fast food/bakery/donut (carryout).	4	3	D	60	Stationery/books/print-ing/paper.	3	4	D
39	Fine arts .....	2	3	D	27	Tavern/bar/lounge .....	4	4	D
78	Flea markets/auction houses.	2	3	D	V1	Taxi/limousines (rob-bery only).	2	3	E
40	Florists .....	2	4	D	28	Theatres .....	2	3	E
M1	Food stuffs (wholesale)	3	5	B	29	Tobacco dealers (re-tail).	5	5	C
N1	Fruit/newspaper stands	4	3	D	C9	Tobacco dealers (wholesale).	3	4	B
45	Funeral homes .....	2	3	D	72	Used clothing/shoe re-pair/thrift stores.	5	5	B
421	Furniture/home furnish-ings.	4	3	C	W1	Variety/department stores.	6	6	B
12	Furriers .....	5	5	C	X1	Vending machines .....	2	3	D
13	Garages/auto repair ....	3	3	D	Y1	Wig shops .....	5	2	C
14	Gasoline service sta-tion.	5	4	B					
44	Gift store/costume jew-elry.	6	4	B					
15	Golf & other prof. sports shops.	2	3	D					
16	Grocery stores/deli/ health food stores.	5	5	C					
17	Guns/ammunition .....	6	6	C					
46	Hardware/housewares	3	4	D					
C2	Health clubs/massage parlors.	2	3	D					
80	Hobby/toys/novelty .....	3	4	D					
48	Hotel/motel/apartments	2	3	D					
01	Industrial materials/ metal work.	2	3	D					
18	Jewelry .....	3	6	B					
19	Laundries .....	2	3	D					
52	Leather products .....	6	4	B					
20	Liquor stores .....	2	2	B					
P1	Liquor (wholesale) .....	4	2	C					
37	Marine/aircraft—sales/ service.	3	4	D					
21	Meat/poultry/fish deal-ers.	2	3	C					

[47 FR 19351, May 5, 1982, as amended at 50 FR 16496, Apr. 26, 1985; 52 FR 30686, Aug. 17, 1987; 55 FR 42191, Oct. 18, 1990]

**§83.24a Gross receipts.**

The annual gross receipts figure of a business is used as a significant factor in calculating the annual premium and for determining the deductible applica-ble to any loss. It is therefore material to the issuance of a policy and must be correctly stated. Misstatement of gross receipts at the time of application or any subsequent renewal will cause the